



SPINAL LIFE AUSTRALIA LTD

ABN 39 293 063 049

ACN 167 906 256

CONSOLIDATED ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2024

SPINAL LIFE AUSTRALIA LTD

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SPINAL LIFE AUSTRALIA LTD
DIRECTORS' REPORT
For the year ended 30 June 2024

The directors of Spinal Life Australia Ltd present their report together with the financial statements of the consolidated entity, being Spinal Life Australia (the "Company") and its Controlled Entities (the "Group") for the financial year ended 30 June 2024 and the Auditors Report thereon.

Directors

The independent, non-executive directors of the Company at any time during or since the end of the financial year are:

Gyl Stacey	Appointed to Board of Directors January 2016 Elected Chair of the Board August 2019 Member of Audit, Finance and Risk Committee since September 2020 Chair Research and Innovation Advisory Committee since February 2022
Gerard O'Brien	Appointed to Board of Directors April 2019 Chair of Governance and Remuneration Committee since April 2019
Mark Fenton	Appointed to Board of Directors February 2024 Chair of Audit, Finance and Risk Committee since March 2024
Michelle Wilson	Appointed to Board of Directors April 2019 Chair of Audit, Finance and Risk Committee since April 2019 Resigned as a Director December 2023
Professor Charles "Phillip" Morris	Appointed to Board of Directors May 2018 Member Governance and Remuneration Committee since May 2018 and resigned June 2024 Member Research and Innovation Advisory Committee since August 2021 Member Audit, Finance and Risk Committee since June 2024
Carol Taylor	Appointed to Board of Directors November 2021 after filling a casual vacancy since January 2021 Member Audit, Finance and Risk Committee since January 2022 and resigned June 2024 Member Governance and Remuneration Committee since June 2024
Dr. Dinesh Palipana	Appointed to Board of Directors November 2021 after filling a casual vacancy since May 2021 Resigned as a Director November 2023
Cathy Russo	Appointed to Board of Directors August 2023

SPINAL LIFE AUSTRALIA LTD
DIRECTORS' REPORT
For the year ended 30 June 2024

Directors (continued)

Rebecca Tweedy	Appointed to Board of Directors as an alternate director April 2021 Member Research and Innovation Advisory Committee since January 2022 Member Audit, Finance and Risk Committee since June 2024
Mark Dillman	Appointed to Board of Directors April 2008 Member of Governance and Remuneration Committee since April 2018 Resigned as a Director August 2023

Company Secretary

Peta Perring	Appointed Company Secretary January 2022 Resigned as a Company Secretary May 2024
Natalie von Snarski	Appointed Company Secretary March 2024 Resigned as a Company Secretary August 2024
Leanne Dreves	Appointed Company Secretary August 2024

Meetings of directors

Details of directors' attendance at meetings are outlined below:

	Spinal Life Australia Board		Audit, Finance and Risk Committee		Research and Innovation Advisory Committee		Governance & Remuneration Committee	
	A	B	A	B	A	B	A	B
Gyl Stacey	8	10	5	5	-	-	-	-
Mark Dillman	2	2	-	-	-	-	1	1
Michelle Wilson	5	5	2	2	-	-	-	-
Mark Fenton	3	3	2	2	-	-	-	-
Professor Phillip Morris	10	10	-	-	-	-	3	3
Gerard O'Brien	10	10	-	-	-	-	3	3
Carol Taylor	8	10	4	5	-	-	-	-
Dr. Dinesh Palipana	1	4	-	-	-	-	-	-
Rebecca Tweedy	9	10	-	-	-	-	-	-
Cathy Russo	8	8	-	-	-	-	-	-

- A Number of meetings attended
B Number of meetings held during the time the director held office or was a member of the committee during the period

SPINAL LIFE AUSTRALIA LTD
DIRECTORS' REPORT
For the year ended 30 June 2024

Objectives

The Group's short-term objective is focusing on customer and user experience with a goal of ensuring the Group's customers have elected Spinal Life Australia as their chosen service provider and the personal support workers are proud ambassadors of the Group.

Long-term the Group is focused on supporting people with spinal cord damage to live the life they want to lead.

Strategy for achieving the objectives

The critical success factors to accomplishing the objectives are:

- i.* Understanding and responding to customers' individual needs;
- ii.* Being an employer of choice;
- iii.* Having a strong and compelling brand;
- iv.* Having the expertise to deliver on the special role Spinal Life undertakes;
- v.* Maintaining strong relationships with key partners, funders and suppliers; and
- vi.* Driving improved quality and efficiency focused on customer value.

Principal activities

During the year, the principal continuing activities of the Group consisted of:

- i.* Personal support services;
- ii.* Spinal allied health services;
- iii.* Accommodation at the Healthy Living Centre in Cairns and rehabilitation services at the Healthy Living Centre in Cairns and Brisbane;
- iv.* Sports & Recreation;
- v.* Peer support program;
- vi.* Advocacy and member support;
- vii.* Injury prevention programs; and
- viii.* Fundraising activities.

The Group acquired the assets and liabilities of the Sporting Wheelies and Disabled Association on 31 January 2024. The nature of the activities of the Group during the year expanded to include sports & recreation with the transfer of Sporting Wheelies' assets.

Overview of the Group's consolidated financial statements

These consolidated financial statements of the Group have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures.

Rounding of amounts

The Group is of a kind referred to in *Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Director's Report have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, or in certain cases to the nearest dollar.

SPINAL LIFE AUSTRALIA LTD
DIRECTORS' REPORT
For the year ended 30 June 2024

Review of operations

The Group reported a total comprehensive income of \$1,044 for the year to 30 June 2024 (2023: income of \$181).

On 31 January 2024, the Group acquired the net assets of Sporting Wheelies and Disabled Association. The successful business combination, has strengthened the Group's market position and expanded the service portfolio towards achieving the 'One Stop Shop' strategy.

Despite the economic challenges posed, the Group managed its resources to achieve a total comprehensive income on the consolidated level. This financial achievement reflects both the resilience of the organisation and the continued support it receives from donors and stakeholders who share its compassionate mission.

Dividends

No dividends are paid in accordance with the constitution of Spinal Life Australia.

Events since the end of the financial year

No matter or circumstance has arisen since 30 June 2024 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

Environmental regulation

The Group's operations are subject to various environmental regulations under both National and State legislation. The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental as they apply to the Group during the period covered by this report.

Likely developments

The Group continues to explore ways to expand its service delivery options for clients and members. In September 2024 the Group received confirmation from the Brisbane City Council that the development application, lodged in August 2023, has been successful for the property at 109 Logan Road, Woolloongabba. We are awaiting a regulatory appeal period for members of the community to appeal against the Council decision, before finalisation of the application. The Group's intention is to leverage the increased value of the land to fund a new spinal injury rehabilitation precinct. Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

Indemnification and insurance of officers and auditors

Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Group.

SPINAL LIFE AUSTRALIA LTD
DIRECTORS' REPORT
For the year ended 30 June 2024

Insurance premiums

During the financial year the Company has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 30 June 2024 and since the financial year, the Company has paid premiums in respect of such insurance contracts to 30 April 2025. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Group.

The directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

Contribution in winding up

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of 5 dollars each towards meeting any outstanding obligations of the entity. At 30 June 2024, the total amount that members of the Company are liable to contribute if the Company wound up is 10,455 dollars (2023: 10,120 dollars).

Auditor's independence declaration

A copy of the auditor's independence declaration is set out on page 7 and forms part of the Directors' report for the financial year ended 30 June 2024.

This report is made in accordance with a resolution of directors.



Gyl Stacey
Director

Signed in Brisbane this 26th of September 2024



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the Directors of Spinal Life Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

B E Lovell
Partner
Brisbane
26 September 2024

SPINAL LIFE AUSTRALIA LTD
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
REVENUE	5	<u>57,326</u>	<u>51,012</u>
EXPENSES			
Salaries and on-costs	6	48,949	44,364
Staff related costs		1,046	819
Client support costs		448	433
Depreciation and amortisation	6	1,271	1,079
Information technology & telecommunication expenses		1,937	1,670
Motor vehicle expenses		195	175
Occupancy costs		802	680
Other expenses		<u>2,464</u>	<u>2,058</u>
TOTAL EXPENSES		<u>57,112</u>	<u>51,278</u>
Gain as a result of business combination	8	824	-
NET OPERATING INCOME/(LOSS)		1,038	(266)
FINANCE COSTS		(91)	(51)
OTHER INCOME/(LOSS)			
Capital grants received	7	-	47
Share of (loss)/profit from associates, net of tax	13	<u>(110)</u>	<u>6</u>
TOTAL OTHER (LOSS)/INCOME		<u>(110)</u>	<u>53</u>
NET PROFIT/(LOSS)		<u>837</u>	<u>(264)</u>
OTHER COMPREHENSIVE INCOME			
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS			
Changes in the fair value of debt instruments at fair value through other comprehensive income		5	5
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
Changes in the fair value of equity instruments at fair value through other comprehensive income		<u>202</u>	<u>440</u>
TOTAL OTHER COMPREHENSIVE INCOME		<u>207</u>	<u>445</u>
TOTAL COMPREHENSIVE INCOME		<u>1,044</u>	<u>181</u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to the consolidated financial statements.

SPINAL LIFE AUSTRALIA LTD.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	8,020	7,385
Trade and other receivables	10	1,814	1,620
Term deposits	11	1,035	1,784
Other current assets	12	2,737	2,169
TOTAL CURRENT ASSETS		<u>13,606</u>	<u>12,958</u>
NON-CURRENT ASSETS			
Financial assets at fair value through other comprehensive income	11	5,793	5,339
Financial assets at fair value through profit or loss	11	7,785	6,619
Investment in associates	13	904	1,014
Property and equipment	14	19,404	18,901
Right-of-use assets	15	1,346	223
Intangible assets	16	1,649	1,672
Other non-current assets		13	-
TOTAL NON-CURRENT ASSETS		<u>36,894</u>	<u>33,768</u>
TOTAL ASSETS		<u>50,500</u>	<u>46,726</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	3,239	2,115
Unexpended grant funds	18	1,637	1,333
Lease liabilities	15	354	81
Provisions	19	2,280	1,940
Bank loan – Insurance premium finance facility	20	-	207
TOTAL CURRENT LIABILITIES		<u>7,510</u>	<u>5,676</u>
NON-CURRENT LIABILITIES			
Lease liabilities	15	997	190
Other liabilities	21	30	5
Provisions	19	563	499
TOTAL NON-CURRENT LIABILITIES		<u>1,590</u>	<u>694</u>
TOTAL LIABILITIES		<u>9,100</u>	<u>6,370</u>
NET ASSETS		<u>41,400</u>	<u>40,356</u>
MEMBERS' FUNDS (EQUITY)			
Other reserves		1,250	1,043
Accumulated surplus		40,150	39,313
TOTAL MEMBERS' FUNDS (EQUITY)		<u>41,400</u>	<u>40,356</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes to the consolidated financial statements.

SPINAL LIFE AUSTRALIA LTD.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2024

	Notes	Other Reserves \$'000	Accumulated Surplus \$'000	Total \$'000
BALANCE AT 1 JULY 2022		598	39,577	40,175
Net loss for the year		-	(264)	(264)
Other comprehensive income		445	-	445
Total comprehensive income/(loss) for the year		445	(264)	181
BALANCE AT 30 JUNE 2023		1,043	39,313	40,356
Net profit for the year		-	837	837
Other comprehensive income		207	-	207
Total comprehensive income for the year		207	837	1,044
BALANCE AT 30 JUNE 2024		1,250	40,150	41,400

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes to the consolidated financial statements.

SPINAL LIFE AUSTRALIA LTD
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from government and customers		56,255	51,230
Payments to employees and suppliers		(55,146)	(50,489)
Dividends and realised gains		605	603
GST (paid)/received, net		(363)	55
Cash generated from operating activities		<u>1,351</u>	<u>1,399</u>
Interest received		218	166
Interest paid		(91)	(51)
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>1,478</u>	<u>1,514</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on sale of financial assets, net		4,191	3,270
Cash acquired on business combination		396	-
Investment in associates		-	(1,007)
Acquisition of financial assets		(4,345)	(3,903)
Acquisition of property and equipment		(464)	(428)
Payments for intangible assets		(113)	(1,336)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(335)</u>	<u>(3,404)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal elements of lease payments		(301)	(85)
Repayments from borrowings		(207)	(175)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		<u>(508)</u>	<u>(260)</u>
Net increase/(decrease) in cash and cash equivalents		635	(2,150)
Cash and cash equivalents, beginning of year		7,385	9,535
CASH AND CASH EQUIVALENTS END OF YEAR	9	<u>8,020</u>	<u>7,385</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes to the consolidated financial statements.

SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

1. CORPORATE INFORMATION

Spinal Life Australia Ltd (the "Company") was incorporated under the *Corporations Act 2001* on 21 February 2014 and is a company limited by guarantee that is domiciled in Australia. Spinal Life Australia was formerly known as Spinal Injuries Australia Ltd. The registered office and principal place of business of Spinal Life Australia is 109 Logan Road, Woolloongabba, Brisbane, Queensland 4102.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group") along with the Group's interests in equity-accounted investees and are as at and for the year ended 30 June 2024. The subsidiaries of the Group are Inclusive Communities Foundation and Spinal Futures Ltd.

Spinal Life Australia is a not-for-profit entity for financial reporting purposes. These consolidated financial statements for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors of the Company on 26 September 2024.

2. BASIS OF PREPARATION

These consolidated financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. They have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures as required by the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*.

3. MATERIAL ACCOUNTING POLICIES

New and amended standards adopted by the Group

The Group also adopted Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (Amendments to AASB 1049, 1054 and 1060) from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosures of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information on the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in relevant notes in certain instances in line with the amendments.

A number of other new accounting standards are also effective from 1 July 2023 but they do not have a material effect on the Group's financial statements.

Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, unless mentioned otherwise.

The assets, liabilities, income and expenses of the controlled entities have been consolidated on a line-by-line basis in the consolidated financial statements of the Group from the date on which control commences until the date on which control ceases. Intercompany transactions are fully eliminated upon consolidation.

SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICIES (continued)

(i) Basis of measurement

The consolidated financial statements have been prepared on the historical cost convention, except for financial assets at FVTOCT and FVTPL which are recorded at fair value and investment in associates which is accounted using the equity method.

(ii) Fair value of assets and liabilities

'Fair value' is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques to maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or liability measured at fair value has a bid price and an ask price, the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

(iii) Functional and presentation currency and rounding

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency. The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the consolidated financial statements have been rounded to the nearest thousand, unless otherwise stated.

(iv) Income tax

The Group is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(v) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In this case, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Other material accounting policies are presented in the notes to which the policy relates as follows.

SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

4. USE OF JUDGEMENTS AND ESTIMATES

When preparing the consolidated financial statements, management undertakes a number of judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(i) Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Management has carried out an assessment on impairment indicators for investment in associate and no impairment was recognised during the year.

(ii) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates surround assumptions about future usage and obsolescence.

(iii) Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered.

5. REVENUE

Accounting Policy – Revenue Recognition

Revenue is recognised at the fair value of consideration received or receivable, to the extent that it is reliably measurable and that it is probable that the economic benefits will flow to the Group. The following specific recognition criteria must also be met before revenue is recognised:

(i) Services income

Revenue is measured based on the consideration specified in an agreement with a customer. Revenue is recognised when the services are delivered and have been accepted by the customer. Invoices for service income are issued on a fortnightly basis and are usually payable within 7 days.

(ii) Grants and subsidies

Revenue from government grants received under enforceable agreements, where there are sufficiently specific performance obligations imposed, is deferred until the obligations are satisfied. If the performance obligations are not sufficiently specific, revenue will be recognised upon receipt, to the extent they are not refundable.

Capital grants are recognised as income when (or as) it satisfies its obligations under the transfer. Capital grants are a type of grant where the Group receives a financial asset to acquire or construct a non-financial asset to identified specifications; retains control of the non-financial asset (i.e. for its own use); and the transaction is enforceable.

Gifted assets acquired at a nominal value are recognised at their fair value at the date the Group obtained control over the asset.

SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

5. REVENUE (continued)

Grant and subsidies revenue with performance obligations satisfied over time are disclosed using the input method based on personnel expenses to recognise revenue.

(iii) Fundraising – gifts and contributions

Fundraising – gifts and contributions are recognised as revenue when the Group's right to receive payment is established.

(iv) Rental income

Rental income from investment properties is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. Lease incentives granted are recognised as an integral part of total rental income.

(v) Interest income

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(vi) Dividend and realised gains on financial assets

Dividend income and realised gains on financial assets are recognised as revenue when the Group's right to receive payment is established.

(vii) Unrealised gains on financial assets at fair value through profit or loss

Unrealised gains on financial instruments are recognised as revenue, the net gain on financial instruments at fair value through profit or loss relates to investments in managed funds.

SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

5. REVENUE (continued)

	2024	2023
	\$'000	\$'000
Revenue		
Services income	48,622	44,502
Grants and subsidies	6,472	5,056
Fundraising – gifts and contributions	679	115
Rental income	161	79
Interest income	218	166
Unrealised gain on financial assets at fair value through profit or loss	495	304
Other revenue	679	790
Total revenue	<u>57,326</u>	<u>51,012</u>
 <i>Grants and subsidies</i>		
 Commonwealth government		
Department of Health	4,523	4,446
Department of Social Services	288	-
Total Commonwealth government	<u>4,811</u>	<u>4,446</u>
 State government		
Motor Accident Insurance Commission	457	311
Department of Employment, Small Business and Training	101	123
Department of Child Safety, Seniors and Disability Services	127	150
Department of Tourism, Innovation and Sport	951	-
Total State government	<u>1,636</u>	<u>584</u>
 Local government		
Sunshine Coast Regional Council	-	8
City of Geraldton	-	8
Total local government	<u>-</u>	<u>16</u>
 Total government grant revenue	<u>6,447</u>	<u>5,046</u>
 Non-government grants and subsidies	25	10
Total grants and subsidies	<u>6,472</u>	<u>5,056</u>

SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

6. EXPENSES

	2024	2023
	\$'000	\$'000
Salaries and on-costs		
Salaries and wages	39,458	36,248
Superannuation	4,354	3,650
Other benefits	5,137	4,466
Total salaries and on-costs	48,949	44,364
Depreciation expenses		
Buildings	446	442
Furniture and equipment	454	373
Right-of-use assets	222	85
Motor vehicles	2	-
Total depreciation expenses	1,124	900
Amortisation expense		
Software development costs	147	179
Total depreciation and amortisation	1,271	1,079

7. CAPITAL GRANTS RECEIVED

State government		
Gambling Community Benefit Fund	-	35
Total State Government	-	35
Non-government capital grants	-	12
Total capital grants received	-	47

8. BUSINESS COMBINATION

Accounting policy – Business Combinations

The Group applies the acquisition method in accounting for business combination. Assets acquired and liabilities assumed are measured at their fair value on the day of the business combination.

On 31 January 2024, the Group successfully combined with Sporting Wheelies and Disabled Association, with Spinal Life Australia as the continuing entity. As a result of the business combination, the Group recognised a profit of \$824 with no consideration paid. This opportunity is in line with the Group's 'One Stop Shop' strategy and will enable expansion and appeal to a broader range of customers, improve brand awareness to expand influence for a more accessible Australia.

The following table summaries the identifiable assets acquired and liabilities assumed.

SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

8. BUSINESS COMBINATION (continued)

	Notes	2024 \$'000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		396
Trade and other receivables		40
Other current assets		222
TOTAL CURRENT ASSETS		658
NON-CURRENT ASSETS		
Property and equipment	14	953
Intangible assets	16	11
TOTAL NON-CURRENT ASSETS		964
TOTAL ASSETS		1,622
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables		115
Unexpended grant funds		512
Provisions		165
TOTAL CURRENT LIABILITIES		792
NON-CURRENT LIABILITIES		
Provisions		6
TOTAL NON-CURRENT LIABILITIES		6
TOTAL LIABILITIES		798
IDENTIFIABLE NET ASSETS		824

As there was no consideration paid for the merger, a gain of \$824 has been recognised in the consolidated of profit or loss.

9. FINANCIAL ASSETS: CASH AND CASH EQUIVALENTS

Accounting policy – Cash and cash equivalents

Cash and cash equivalents in the statement of financial position, as well as for the purposes of the statement of cash flows, comprise of cash on hand and in bank, and other short term, highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	2024 \$'000	2023 \$'000
Cash at bank	8,020	7,378
Term deposit with initial maturities less than 3 months	-	7
Total cash and cash equivalents	8,020	7,385

SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

10. FINANCIAL ASSETS: TRADE AND OTHER RECEIVABLES

Accounting policy – Trade and other receivables

The Group uses a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to lifetime credit losses. In using the practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected losses.

	2024	2023
	\$'000	\$'000
Trade debtors	1,882	1,715
Other receivables	172	85
Less allowance	(240)	(180)
Total trade and other receivables	1,814	1,620
 <u>Movement in allowance for doubtful debts</u>		
Balance at beginning of year	(180)	(180)
Increase to provision during the year	(121)	(14)
Bad debts written off during the year	61	14
Balance of allowance for doubtful debts	(240)	(180)

11. FINANCIAL INSTRUMENTS

Accounting policy – Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities, collectively financial instruments, are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Classification and subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

11. FINANCIAL INSTRUMENTS (continued)

Classification of financial instruments

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs.

For the purpose of subsequent measurement, financial assets, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through profit or loss (FVTPL);
- equity instruments at fair value through other comprehensive income (FVTOCI); and
- debt instruments at fair value through other comprehensive income (FVTOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within interest income, other income and impairment of financial assets expense, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset; and
- The contractual cash flow characteristics of the financial assets.

Subsequent measurement

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instrument as well as long-term deposits. This category includes term deposits over 90 days.

	2024	2023
	\$'000	\$'000
Term deposits	1,035	1,784
Total term deposits	1,035	1,784

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. This category includes units in managed fund investments.

Financial assets at fair value through profit or loss		
Units in managed fund investments	7,785	6,619
Total financial assets at FVTPL	7,785	6,619

SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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11. FINANCIAL INSTRUMENTS (continued)

Equity instruments at fair value through other comprehensive income (Equity FVTOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVTOCI. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividends from these investments continue to be recorded as dividends within the profit or loss unless the dividend clearly represents return of capital. This category includes shares in listed entities.

Debt instruments at fair value through other comprehensive income (Debt FVTOCI)

Investments in debt instruments that are held to collect cashflow and sell at the right time are to be measured at FVTOCI. Subsequent movements in fair value are recognised in other comprehensive income and are reclassified to profit or loss on disposal. This category includes capital notes.

Financial assets at fair value through other comprehensive income

	2024	2023
	\$'000	\$'000
Capital notes	378	423
Shares in listed entities	5,415	4,916
Total financial assets at FVTOCI	<u>5,793</u>	<u>5,339</u>

Impairment of Financial assets

AASB 9's impairment requirements use forward-looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the requirements include loans and other debt-type financial assets measured at amortised cost and FVTOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and
- Financial assets that have objective evidence of impairment at the reporting date ('Stage 3').

The impairment policy for trade and other receivables is disclosed in Note 10.

Financial assets

Cash and cash equivalents	8,020	7,385
Trade and other receivables, net	1,814	1,535
Term deposits	1,035	1,784
Financial assets at fair value through profit or loss	7,785	6,619
Financial assets at fair value through other comprehensive income	5,793	5,339
Balance at end of year	<u>24,447</u>	<u>22,662</u>

SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

11. FINANCIAL INSTRUMENTS (continued)

	\$2024	2023
	\$'000	\$'000
Financial liabilities		
Trade creditors	1,666	1,126
Bank loan – insurance premium facility	-	207
Balance at end of year	<u>1,666</u>	<u>1,333</u>

12. OTHER CURRENT ASSETS

Prepaid expenses	908	1,041
Accrued income	1,548	1,128
Other debtors	281	-
Total other current assets	<u>2,737</u>	<u>2,169</u>

13. INVESTMENT IN ASSOCIATES

Accounting policy – Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Group's share of the profit or loss and other comprehensive income of associates until the date on which significant influence ceases.

Investment in associates

Investment in Mobility Healthcare Australia Pty Ltd	904	1,014
Total investment in associates	<u>904</u>	<u>1,014</u>

On 31 December 2022, the Group acquired 23% of the shares and voting interests in Mobility Healthcare Australia Pty Ltd for a total cash consideration of \$1,008.

Carrying amount of investment in associates

Opening balance	1,014	-
Initial cost - consideration paid	-	1,008
Share of (loss)/profit	(110)	6
Total carrying amount of investment in associates	<u>904</u>	<u>1,014</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

14. PROPERTY AND EQUIPMENT

Accounting policy – Property and equipment

Property and equipment is stated at historic cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. All other repairs and maintenance are recognised in the statement of comprehensive income as incurred.

Land is not depreciated. Depreciation on other assets is calculated on a straight-line basis over the estimated useful life or in the case of leasehold improvements, the shorter lease term, as follows:

	2024	2023
Buildings	40 years	40 years
Furniture and equipment	2 – 20 years	2 – 20 years
Motor vehicles	5 years	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each financial year.

Accounting policy – Impairment of property, plant and equipment and other non-financial assets

At the end of each reporting period the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, the recoverable amount is determined, and impairment losses are recognised in the statement of comprehensive income where the assets carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. To assess value in use, depreciated replacement cost is adopted when the future economic benefits of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the Group would, if deprived of the asset, replace its remaining future economic benefit. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

14. PROPERTY AND EQUIPMENT (continued)

	2024	2023
	\$'000	\$'000
<u>Land and buildings</u>		
At cost	21,244	21,204
Accumulated depreciation	(4,072)	(3,626)
Total land and buildings	17,172	17,578
<u>Furniture and equipment</u>		
At cost	3,776	2,695
Accumulated depreciation	(2,140)	(1,721)
Total furniture and equipment	1,636	974
<u>Motor vehicles</u>		
At cost	106	83
Accumulated depreciation	(84)	(83)
Total motor vehicles	22	-
<u>Assets under development</u>		
At cost	574	349
Total property and equipment	19,404	18,901

Reconciliations

<u>Land and buildings</u>		
Carrying value at beginning of year	17,578	17,924
Additions	40	13
Transfer from assets under development	-	83
Depreciation expenses	(446)	(442)
Carrying value at end of year	17,172	17,578

<u>Furniture and equipment</u>		
Carrying value at beginning of year	974	1,024
Additions	90	178
Additions through business combination	929	-
Transfer from assets under development	98	149
Disposal	(1)	(4)
Depreciation expenses	(454)	(373)
Carrying value at end of year	1,636	974

<u>Motor vehicles</u>		
Carrying value at beginning of year	-	-
Additions through business combination	24	-
Depreciation expenses	(2)	-
Carrying value at end of year	22	-

<u>Assets under development</u>		
Carrying value at beginning of year	349	363
Additions	334	237
Reclassification	(11)	(19)
Transfer to land and building	-	(83)
Transfer to furniture and equipment	(98)	(149)
Carrying value at end of year	574	349
Total property and equipment	19,404	18,901

SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

15. LEASES

Accounting policy – Leases

Spinal Life Australia as lessee

The Group leases various offices and vehicles. Rental contracts are typically for fixed periods of nine months to five years, but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are being held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leases.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an option renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets related to leased properties are presented as property, plant and equipment.

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For the year ended 30 June 2024

15. LEASES (continued)

	Building \$'000
Balance at 1 July 2022	308
Additions to right-of-use assets	-
Depreciation charge for the year	(85)
Balance at 30 June 2023	223
Additions to right-of-use assets	1,345
Depreciation charge for the year	(222)
Balance at 30 June 2024	1,346

The total cash outflow for leases exclusive of interest expenses in 2024 was \$301 (2023: \$85).

Future lease payments (undiscounted)

	2024 \$'000	2023 \$'000
Less than one year	442	93
One to five years	1,027	203
More than five years	94	-
Future lease payments (Spinal Life Australia as lessee)	1,563	296

Amounts recognised in the consolidated statement of financial position

<u>Right-of-use assets</u>		
Buildings, net	1,346	223
Carrying value at end of year	1,346	223
<u>Lease liabilities</u>		
Current	354	81
Non-current	997	190
Carrying value at end of year	1,351	271

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease payments recognised as an expense for short-term leases and leases of low-value assets was \$127 (2023: \$105).

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15. LEASES (continued)

Spinal Life Australia as lessor

Future lease payments (undiscounted)

	2024	2023
	\$'000	\$'000
Less than one year	153	61
One to five years	188	60
More than five years	-	-
Future lease payments (Spinal Life Australia as lessor)	341	121

16. INTANGIBLE ASSETS

Accounting policy - Intangible assets

Intangible assets are stated at cost less accumulated amortisation and any impairment in value.

Amortisation is provided on a straight-line basis on all intangible assets at rates calculated to allocate the cost over the useful lives of the assets, which have been assessed at 3 to 5 years. The assets' residual values, useful lives, any impairment loss or subsequent reversal, and amortisation methods are reviewed, and adjusted if appropriate, at each year end.

Software development costs

At cost	1,444	1,407
Accumulated amortisation	(1,206)	(1,059)
Total software development costs	238	348

Assets under development

At cost	1,411	1,324
Total intangible assets	1,649	1,672

(i) Reconciliations

Software development costs

Carrying value at beginning of year	348	510
Additions separately acquired	-	33
Additions through business combination	11	-
Disposal	-	(16)
Transfers from intangible assets under development	26	-
Amortisation expense	(147)	(179)
Carrying value at end of year	238	348

Intangible assets under development

Carrying value at beginning of year	1,324	21
Additions separately acquired	113	1,303
Disposals	-	-
Transferred to software development costs	(26)	-
Carrying value at end of year	1,411	1,324
Total intangible assets	1,649	1,672

SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

17. TRADE AND OTHER PAYABLES

Accounting policy – Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

These amounts are unsecured and are typically paid within 60 days of recognition.

	2024	2023
	\$'000	\$'000
Trade creditors	1,666	1,126
Other creditors	1,507	856
Revenue in advance	66	133
Total trade and other payables	<u>3,239</u>	<u>2,115</u>

18. UNEXPENDED GRANT FUNDS

Commonwealth government

Department of Health and Aged Care – CHSP	12	105
Department of Health and Aged Care – COS	-	313
Department of Health and Aged Care – DSOA	911	867
Department of Social Services - ICL	162	-
Total Commonwealth government	<u>1,085</u>	<u>1,285</u>

State government

Department of Child Safety, Seniors and Disability Services	47	-
Department of Tourism, Innovation and Sport	267	-
Department of Justice and Attorney-General	97	-
Motor Accident Insurance Commission	67	20
Department of Employment, Small Business and Training	74	5
WA Department of Communities Disability Services	-	13
Total State government	<u>552</u>	<u>38</u>

Non-government

Youngcare	-	10
Non-government	<u>-</u>	<u>10</u>

Total unexpended grant funds	<u>1,637</u>	<u>1,333</u>
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SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

19. EMPLOYEE BENEFITS

Accounting policy – Employee benefit provisions

(i) Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long-service leave

The liability for long service leave is recognised in the provision and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds, with terms of maturity and currencies that match as closely as possible the estimated future cash outflows.

	2024	2023
	\$'000	\$'000
Provisions (current)	2,280	1,940
Provisions (non-current)	563	499
Total employee benefits	2,843	2,439

20. BANK LOAN – INSURANCE PREMIUM FINANCE FACILITY

Bank loan – Insurance premium finance facility	-	207
Total bank loan	-	207

The facility covered Insurance Premiums for the year to 30 April 2024 with a term ending 31 January 2024. The facility was repayable at \$30 per month (principal and interest).

21. OTHER LIABILITIES

Security deposits	30	5
Total other liabilities	30	5

The Other liabilities contain security deposits received from tenants. The security deposits are held by the Group as lessor throughout the term of the lease and carry no interest. The deposits are refunded to the lessees at the end of the lease term if the lessees have fully performed and observed all the conditions set out in the lease contract.

SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

22. AUDITOR'S REMUNERATION

During the year, the following fees were paid or payable for services provided to the auditor of the Group.

	2024	2023
	\$'000	\$'000
KPMG Australia		
Audit services current year fees	76	68
Audit services prior year fees	24	-
Consulting services	-	9
Total KPMG Australia remuneration	<u>100</u>	<u>77</u>

23. RELATED PARTY TRANSACTIONS

The Group's related parties include its key management personnel and related entities as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

(i) Transactions with key management personnel

Key management personnel of the group are the Directors and the Executive Managers of Spinal Life Australia. Key Management Personnel remuneration includes the following expenses in relation to the Executive Managers. The Directors do not receive any remuneration for their position as a Board member:

	2024	2023
	\$	\$
Total remuneration key management personnel	<u>2,016,821</u>	<u>1,747,289</u>

(ii) Transactions with related parties

The Group engages the firm of M & K Lawyers to provide legal advice. One partner of this law firm is a director of the Company. During the year ended 30 June 2024, the Group incurred legal fees of \$67,753 with M & K Lawyers (2023: \$21,242) and had \$1,321 outstanding as at 30 June 2024 (2023: nil outstanding).

24. PARENT INFORMATION

	2024	2023
	\$'000	\$'000
Statement of Financial Position		
ASSETS		
Current assets	11,330	9,995
Non-current assets	22,411	20,819
TOTAL ASSETS	<u>33,741</u>	<u>30,814</u>
LIABILITIES		
Current liabilities	7,420	5,661
Non-current liabilities	1,590	694
TOTAL LIABILITIES	<u>9,010</u>	<u>6,355</u>
MEMBERS' FUNDS (EQUITY)		
Other reserves	11	11
Accumulated surplus	24,720	24,448
TOTAL MEMBERS' FUNDS (EQUITY)	<u>24,731</u>	<u>24,459</u>

SPINAL LIFE AUSTRALIA LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2024

24. PARENT INFORMATION (continued)

	2024	2023
	\$'000	\$'000
Statement of Profit or Loss and Other Comprehensive Income		
Total income/(loss)	272	(798)
TOTAL COMPREHENSIVE INCOME/(LOSS)	272	(798)

Spinal Life Australia has not entered into any guarantees during the year ended 30 June 2024 in relation to the debts of its controlled entities.

25. CONTINGENT LIABILITIES

Spinal Life Australia, in the normal course of business, receives grants from government for capital outlays and operating costs and is required to submit documentation for the acquittal of these funds.

There were no contingent liabilities at reporting date which would have a material effect on the Group's financial statements at 30 June 2024 (2023: nil).

26. CAPITAL COMMITMENTS

The Group has not entered into any capital expenditure contract at 30 June 2024.

27. Reclassifications

In the Consolidated Statement of Cash Flows, the Group has reclassified dividends and realised gains from financing to operating activities for the current and prior years. The effect of reclassification is not material and is in order to align the cash flows to the nature of the underlying transactions.

28. SUBSEQUENT EVENTS

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

SPINAL LIFE AUSTRALIA LTD.
DIRECTORS' DECLARATION
For the year ended 30 June 2024

In the opinion of the directors of Spinal Life Australia Limited ('the Company'):

- (a) The Company is not publicly accountable;
- (b) The consolidated financial statements and notes that are set out on pages 8 to 31 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
 - ii. complying with Australian Accounting Standards – Simplified Disclosures Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*; and
- (c) There are reasonable grounds to believe that the Company identified in Note 1 will be able to meet any obligations or liabilities as and when they become due and payable.

Signed in accordance with a resolution of the directors.



Gyl Stacey
Director

Brisbane

26 September 2024



Independent Auditor's Report

To the members of Spinal Life Australia Limited

Opinion

We have audited the **Financial Report**, of the Spinal Life Australia Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2024, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022 (ACNCR)*.

The **Financial Report** comprises:

- i. Consolidated statement of financial position as at 30 June 2024.
- ii. Consolidated statement of profit or loss, and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- iii. Notes, including material accounting policies.
- iv. Director's declaration of the Company

The Group consists of Spinal Life Australia Limited (the Company) and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



Other information

Other Information is financial and non-financial information in Spinal Life Australia's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC and ACNCR.
- ii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iii. Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.



As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Group's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the registered Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

KPMG

B E Lovell

Partner

Brisbane

26 September 2024